



CEQA Mitigation and The Climate Action Reserve

Rachel Tornek
CEC Workshop on GHG Impacts from New Power Plants
November 19, 2008

California Climate Action Registry



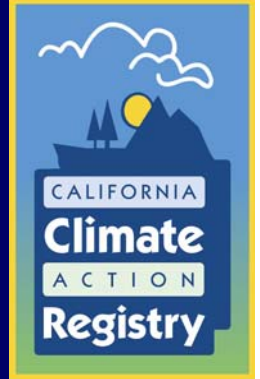
- Non-profit greenhouse gas registry created by state legislation in 2001
 - Encourage voluntary reporting and reductions
 - Develop protocols to track GHG emissions and reductions
- Members include leading businesses, government agencies, educational institutions, non-profits, and others across US
 - Over 370 members and 650 million metric tons CO₂e registered for years 2000 - 2007

What is the Climate Action Reserve?



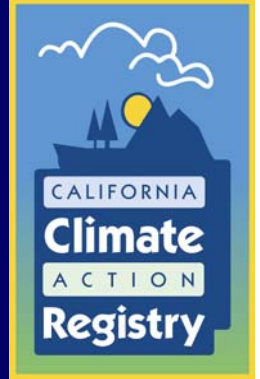
- New CCAR program to register and track carbon offset projects throughout the U.S.
 - Launched in May 2008
 - Established as its own name, but co-branded with CCAR
- Intended to be the premier place to register carbon offset projects for North America
 - Currently U.S.-based projects only
 - Expanding to Mexico and Canada

Why is CCAR doing this?



- Public concerns about the voluntary carbon market
 - Projects aren't real or additional
 - Projects create other social or environmental problems
 - Credits are being double counted or sold
- CCAR reputation for high-quality accounting standards can address these concerns
- CCAR goal: Be the recognized “seal of approval”

Principles of CCAR Project Accounting



- **Real:**
 - Reductions have actually occurred, and are quantified using complete, accurate, transparent, and conservative methodologies
- **Additional:**
 - Reductions result from activities that go above and beyond “business as usual” and regulatory requirements
- **Permanent:**
 - Reductions verified ex-post, risk of reversals mitigated
- **Verified:**
 - Emission reports must be verifiably free of material misstatements
- **Owned unambiguously:**
 - Ownership of GHG reductions must be clear
- **Not harmful:**
 - Negative externalities must be avoided
- **Practicality:**
 - Project implementation barriers should be minimized

Project Protocols



Developed through a stakeholder-driven process with broad public input

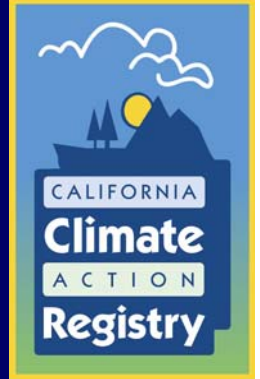
- Forest
 - Conservation management
 - Avoided deforestation
 - Reforestation
- Landfill gas capture
- Agricultural methane capture
- Urban forestry
- 6 new protocols expected in the next 12-18 months

CRTs



- CRTs = climate reserve tonnes (pronounced “carrots”) = one metric ton of CO₂e reduced/removed
- Each CRT has a unique serial number for tracking
 - Includes embedded information about project type, vintage, and location
- CRTs are transferred from one account to another and can be permanently retired
- Only issued ex-post
- Current average price: \$10.80/tonne
 - According to New Carbon Finance, Voluntary Carbon Index, September 2008
 - CRTS are at the “premium end of the market”

What makes the Reserve different? *Recognition*



Recognized and supported by:

- California Air Resources Board
- State of Pennsylvania
- Voluntary Carbon Standard (VCS)
- Leading environmental organizations:
 - Environmental Defense Fund (EDF)
 - Natural Resources Defense Council (NRDC)
 - Sierra Club
- PG&E and SMUD voluntary programs

What makes the Reserve different? *Transparency*



- Protocol development process is public and stakeholder driven
- Publicly available information includes:
 - All protocols/methodologies
 - List of all account holders
 - List of all projects
 - Project documents for each registered project
 - List of all issued CRTs for every project
 - All retired CRTs

What makes the Reserve different? *"Separation of Powers"*



- Reserve develops protocols, but does not develop projects
- Reserve does not act as an exchange
- Not-for-profit 501(c)3 status
- Third party verification requirement
 - Consistent with international model
 - Verification bodies accredited by ANSI
- Conflict of Interest analysis on each project

Questions?



Rachel Tornek

Senior Policy Manager

rachel@climater registry.org

213-891-6930

www.climater registry.org/offsets